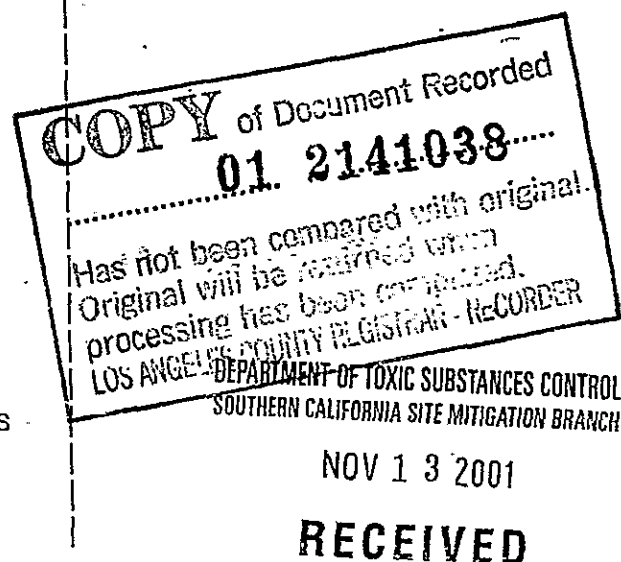


RECORDING REQUESTED BY:  
Mr. Larry M. Harrow  
Hollywood Bed and Spring Mfg. Co., Inc.  
5959 Corvette Street  
Commerce, California 90040

WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control  
Region 3  
Southern California Cleanup Operations Branches  
1011 North Grandview Avenue  
Glendale, California 91201  
Attention: Ms. Sayareh Amir



## COVENANT TO RESTRICT USE OF PROPERTY

### ENVIRONMENTAL RESTRICTION

1460 East Washington Boulevard  
Los Angeles, California 90021  
Assessor Parcel Number 5129-6-29  
Lots 41 and 42 of Hansen and Moore Tract  
of Map Book 6, Page 196, County of Los Angeles, State of California

This Covenant and Agreement ("Covenant") is made by and between Mr. Larry M. Harrow (the "Covenantor"), the current owner of property situated in Los Angeles, County of Los Angeles, State of California, described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property"), and the Department of Toxic Substances Control (the "Department"). Pursuant to Civil Code section 1471 (c) the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health and Safety Code ("H&SC") section 25260. The Covenantor and the Department, collectively referred to as the "Parties", hereby agree, pursuant to Civil Code Section 1471 (c) and H&SC section 25222.1 that the use of the Property be restricted as set forth in this Covenant.

ARTICLE I  
STATEMENT OF FACTS

1.01. The Legal Description of the Property is: Lot 41 and 42 of Hansen and Moore Tract of Map Book 6, Page 196, County of Los Angeles State of California. The Property, consists of a 50' x 125' parcel, and is more particularly described and depicted in Exhibit "A", attached hereto and incorporated herein by this reference. The Property is located in a heavily industrialized area at the southwest corner of the intersection of East Washington Boulevard and Hooper Street, in the County of Los Angeles, State of California. This Property is more specifically described as Los Angeles County Assessor's Parcel No(s): 5129-6-29.

1.02. A Phase I Environmental Site Assessment (Phase I ESA) in accordance with ASTM Standard E 1527-97, with limited surface soil sampling and analysis, was conducted in November, 1998. Based on the results of the Phase I ESA the following activities occurred: 1) the Property was purchased by the current owner; 2) the site buildings were demolished in January and February, 1999; 3) soil sampling and analysis for site characterization purposes was conducted in March 1999; and 4) 820 cubic yards of soil were removed from the site and clean fill was imported to return the site to grade in April, 1999.

1.03. The site has been accepted into the Department's Voluntary Cleanup Program. A Preliminary Endangerment Assessment Equivalent Report was prepared to evaluate the potential for residual concentrations of metals detected in onsite soils to pose an unacceptable impact to human health.

The constituents of concern were arsenic, total chromium, cobalt, copper, molybdenum, nickel, vanadium and zinc. The receptor evaluated was an onsite construction worker involved in site grading and re-compaction activities and the exposure pathways evaluated included dermal contact with soil, inhalation of fugitive dust from soil and ingestion of soil.

Exposure assumptions were compiled from standard USEPA and Department sources to evaluate a reasonable maximum exposure scenario. Exposure point concentrations used to estimate risks and hazards were based on the maximum detected residual concentrations of the chemicals of concern in the top five feet of soil on the property which were: 4.04 mg/kg arsenic, 25.8 mg/kg total chromium, 12.2 mg/kg cobalt, 22.5 mg/kg copper, 1.70 mg/kg molybdenum, 19 mg/kg nickel, 54.0 mg/kg vanadium and 69 mg/kg zinc.

The total hypothetical risk estimate due to exposure to the carcinogenic metals, arsenic and total chromium, is  $7 \times 10^{-5}$ , within USEPA's and the Department's acceptable risk range of  $10^{-6}$  to  $10^{-4}$ . The total hazard estimate due to exposure to the noncarcinogenic metals (cobalt, copper, molybdenum, nickel, vanadium and zinc) is 0.0006, well below the criterion of 1, used to determine whether a site poses an unacceptable hazard to human health.

The Human and Health Screening Evaluation submitted, dated July 9, 1999, and amended March 22, 2000, concluded:

- 1) The Property is currently underdeveloped, fenced land. The future intended use of the Property will be restricted to commercial or industrial.
- 2) Potential exposures from the Property to future workers will not pose a significant health risk.
- 3) The Property offers no natural habitat for ecological communities.
- 4) There is no potential hazard to the environment from chemicals in subsurface soil.

Based on the final human health screening evaluation, the Department concluded that the use of the Property, as subject to the restrictions of this Covenant, does not

present an unacceptable threat to human health or the environment, if limited as applicable, to commercial and/or industrial uses.

## ARTICLE II

### DEFINITIONS

2.01. Department. "Department" means the State of California by and through the Department of Toxic Substances Control and includes its successor agencies, if any.

2.02. Owner. "Owner" means the Covenantor, its successors in interest, and their successors in interest, including heirs and assigns, who at any time hold title to all or any portion of the Property.

2.03. Occupant. "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

## ARTICLE III

### GENERAL PROVISIONS

3.01. Restrictions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction: (a) runs with the land pursuant to H&SC section 25355.5 (a) (1) (C) and Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Property, (c) is for the benefit of, and

is enforceable by the Department, and (d) is imposed upon the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.02. Binding upon Owners/Occupants. Pursuant to H&SC section 25356. 5 (a) (1) (C), this Covenant binds all Owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the Owners, heirs, successors, and assignees. Pursuant to Civil Code section 1471(b), all successive owners of the Property are expressly bound hereby for the benefit of the Department.

3.03. Written Notice of the Presence of Hazardous Substances. Prior to the sale, lease or sublease of the Property, or any portion thereof, the Owner, lessor, or sublessor shall give the buyer, lessee, or sublessee notice that hazardous substances are located on or beneath the Property, as required by H&SC section 25359.7.

3.04. Incorporation into Deeds and Leases. The Restrictions set forth herein shall be incorporated by reference in each and all deeds and leases and subleases for any portion of the Property.

3.05. Conveyance of Property. The Owner shall provide notice to the Department not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

ARTICLE IV  
RESTRICTIONS

4.01. Prohibited Uses. The Property shall not be used for any of the following purposes;

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation.
- (b) A hospital for humans.
- (c) A public or private school for persons under twenty-one (21) years of age.
- (d) A day care center for children.

4.02 Soil Management

- (a) Any contaminated soils brought to the surface by grading, excavation, trenching or backfilling shall be managed in accordance with all applicable provisions of State and federal law.
- (b) The Owner shall provide the Department written notice at least fourteen (14) days prior to any building, filling, grading, mining, or excavating the Property.

4.03. Access for Department. The Department and its designees shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by the Department in order to protect the public health or safety, or the environment.

ARTICLE V  
ENFORCEMENT

5.01. Enforcement. Failure of the Covenantor, Owner or Occupant to comply with any of the Restrictions specifically applicable to it shall be grounds for the Department to require that the Covenantor or Owner modify or remove any improvements ("Improvements, herein shall mean all buildings, roads, driveways, and paved parking areas) constructed or placed upon any portion of the Property in violation of the Restrictions. Violation of this Covenant shall be grounds for the Department to file civil or criminal actions as provided by law.

ARTICLE VI  
VARIANCE, TERMINATION, AND TERM

6.01. Variance. Covenantor, or any other aggrieved person, may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with H&SC section 25233. The Department will grant the variance only after finding that such a variance would be protective of human health, safety, and the environment.

6.02. Termination. Covenantor, or any other aggrieved person, may apply to the Department for a termination of the Restrictions or other terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with H&SC section 25234.

6.03. Term. Unless ended in accordance with the Termination paragraph above, by law, or by the Department in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

ARTICLE VII  
MISCELLANEOUS

7.01. No Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever.

7.02. Department References. All references to the Department include successor agencies/departments or other successor entity.

7.03. Recordation. The Covenantor shall record this Covenant, with all referenced exhibits, in the County of Los Angeles within ten (10) days of the Covenantor's receipt of a fully executed original.

7.04. Notices. Whenever any person gives or serves any Notice ("Notice", as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner:           Mr. Larry M. Harrow  
                         Hollywood Bed and Spring Mfg Co., Inc.  
                         5959 Corvette Street  
                         Commerce, California 90040

To Department:    Department of Toxic Substances Control  
                         Region 3  
                         Southern California Cleanup Operations – Glendale Office  
                         1011 North Grandview Avenue  
                         Glendale, California 91201  
                         Attention: Ms. Sayareh Amir

Any party may change its address or the individual to whose attention a Notice is to be sent by giving written Notice in compliance with this paragraph.

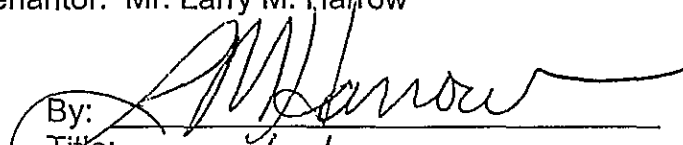


7.05. Partial Invalidity. If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion found invalid had not been included herein.


7.06 Statutory References. All statutory references include successor provisions.

IN WITNESS WHEREOF, the Parties execute this Covenant.

Covenantor: Mr. Larry M. Harrow

By:   
Title: \_\_\_\_\_  
Date: 10/9/01

Department of Toxic Substances Control

By:   
Title: Sayareh Amir, Chief  
Date: October 23, 2001

STATE OF CALIFORNIA )  
 )  
COUNTY OF LOS ANGELES )

On this 9TH day of OCTOBER, in the year 2001,

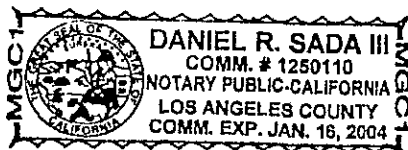
before me DANIEL R. SADA III, NOTARY PUBLIC, personally appeared

LARRY MYRON HARROW

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~(s)~~ whose name~~(s)~~ (is) ~~is~~ subscribed to the within instrument and acknowledged to me that he ~~he/she/they~~ executed the same in (his) ~~his/her/their~~ authorized capacity~~(ies)~~, and that by his ~~his/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature Daniel R. Sada III  
NOTARY PUBLIC



STATE OF CALIFORNIA )

COUNTY OF LOS ANGELES )

On this 23 day of Oct, in the year 2001,

before me Caterina Solomon, personally appeared

Sayareh Amit

~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is /we subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Caterina Solomon

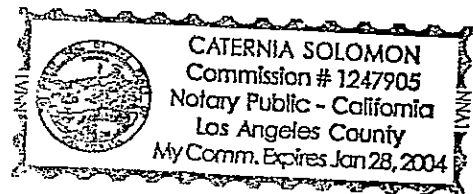


Exhibit "A"

Legal Description of the Property

SAID LAND IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 41 AND 42 OF HANSEN MOORE TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6 PAGE (S) 196 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF LOT 42, HANSEN MOORE TRACT, IN THE CITY OF LOS ANGELES, AS SHOWN ON MAP FILED IN BOOK 6 PAGE 196, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES.

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT; THENCE SOUTH  $33^{\circ} 32' 46''$  EAST ALONG THE SOUTHEASTERLY LINE OF SAID LOT A DISTANCE OF 15.00 FEET; THENCE NORTH  $11^{\circ} 14' 44''$  WEST 21.92 FEET TO A POINT IN THE NORTHEASTERLY LINE OF SAID LOT DISTANT NORTH  $56^{\circ} 02' 14''$  WEST THEREON 15.00 FEET FROM THE POINT OF BEGINNING; THENCE SOUTH  $56^{\circ} 02' 14''$  EAST ALONG SAID NORTHEASTERLY LINE 15.00 FEET TO SAID POINT OF BEGINNING, AS GRANT TO THE COUNTY OF LOS ANGELES.